

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

JOSEPH E. CONNARTON, *Executive Director*

Auditor SUZANNE M. BUMP | PHILIP Y. BROWN, ESQ. | JOHN B. LANGAN | JAMES M. MACHADO | DONALD R. MARQUIS | ROBERT B. MCCARTHY

MEMORANDUM

TO: Cambridge Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: September 16, 2014

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on January 1 of each fiscal year. The schedule is effective in FY15 (since the amount under the prior schedule was maintained in FY15) and is acceptable under Chapter 32.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.

Enc.



SECTION 2: Valuation Results for the City of Cambridge Contributory Retirement System

CHART 16

Funding Schedule

(1) Fiscal Year Ended June 30	(2) Employer Normal Cost	(3) Amortization of Unfunded Liability	(4) Total Plan Cost: (2) + (3)	(5) Additional Payment	(6) Total Unfunded Actuarial Accrued Liability at Beginning of Fiscal Year	(7) Percent Change in Total Plan Cost
2015	\$10,546,055	\$24,929,759	\$35,475,814	\$300,000	\$259,881,854	5.85%
2016	10,941,532	26,609,617	37,551,149	300,000	254,143,193	5.85%
2017	11,351,839	28,396,052	39,747,891	300,000	246,207,863	5.85%
2018	11,777,533	30,295,610	42,073,143	300,000	235,792,184	5.85%
2019	12,219,191	32,315,231	44,534,422	300,000	222,583,333	5.85%
2020	12,677,410	34,462,276	47,139,686	300,000	206,236,649	5.85%
2021	13,152,813	36,744,545	49,897,358	300,000	186,372,681	5.85%
2022	13,646,044	39,170,309	52,816,353	300,000	162,573,995	5.85%
2023	14,157,770	41,748,340	55,906,110	300,000	134,381,693	5.85%
2024	14,688,687	44,487,930	59,176,617	300,000	101,291,630	5.85%
2025	15,239,513	47,398,936	62,638,449	300,000	62,750,307	5.85%
2026	15,810,994	18,551,529	34,362,524	300,000	18,150,399	-45.14%
2027	16,403,907	--	16,403,907	--	--	-52.26%

Notes: Recommended contributions are assumed to be paid in the middle of the fiscal year

Item (2) is assumed to increase 3.75% per year.

Does not reflect deferred investment gains.

Projected normal cost does not reflect the future impact of pension reform for new hires.

Assumes contribution of budgeted amount for fiscal year 2015.